IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

THURSDAY, THE EIGHTH DAY OF JULY
TWO THOUSAND AND FOUR

PRESENT

**THE HON'BLE MR JUSTICE S.ANANDA REDDY**

**WRIT PETITION NO : 8941 of 2004**

Between:

P.Murali Krishna S/o Late Rajeswara Rao
K.p., Nagar Plot No.4 Vijayawada

**..... PETITIONER**

And

The Krishna Dist Milk Producers Mutually Aided Co-op Union Ltd
rep.by its Managing Director Lambadi Peta
Vijayawada

**.....RESPONDENT**

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue a writ, order or directions more particularly in the nature of Writ of Certiorari quashing the impugned orders of the respondent in his Memo bearing No. The Proceedings of the respondent in his proceedings No:6798/59-2001 dt. 1/05/2004 as illegal, unlawful, arbitrary discriminatory and unconstitutional and to issue any other writ or directions or order that may deem fit and proper in the circumstances of this case

**For the Petitioner:MR.M.RAVINDRA BABU**

**For the Respondent : SC for Cooperation**

**The Court made the Following :**

**ORDER:**

1 . This writ petition is filed by the petitioner aggrieved by the termination of the contract by the respondent, by order dated 01-05-2004 with reference to route Nos.12, 17 and 18.

2. According to the petitioner, he was a successful bidder as a Contractor for the above three routes for distribution of milk from the respondent. It is stated that as per the terms of the agreement, the petitioner has to deposit the amount 12 hours before the lifting of the stocks i.e., if the petitioner proposes to lift the stock in the morning, he has to make the necessary deposit on the previous day evening and on the other hand, if the petitioner proposes to lift the stock in the evening, he has to make the necessary deposit in the morning of the same day. The said contract was for a period of three years. It is stated that the contract with reference to route Nos. 12 and 18 is due to expire by 30-09-2004 and with reference to route No.17, it is due to expire by 31-10-2004. According to the petitioner, there were no dues. But, however, the respondent cooperative society terminated the contract illegally. Hence, the present Writ petition has been filed.

3. This Court while granting suspension of the impugned order on 11-05-2004 directed the petitioner to deposit 1,00,000/- on or before 30-05-2004. Accordingly, the petitioner has complied the said order.

4. The learned Counsel for the petitioner also contended that with reference to some other contracts in which, the petitioner has entered with the respondent, the respondent has got the petitioner's deposits with it and if those amounts were set off, the petitioner is not liable to pay any amount as claimed by the respondent under the impugned proceedings. Therefore, he sought for quashing of the impugned proceedings, so as to allow the petitioner as a Contractor till the contract period is completed.

5. The learned Counsel for the respondent-society, on the other hand, opposed the said contentions by filing necessary counter. According to the learned Counsel, though under the terms of the agreement, the petitioner was obliged to make deposits in advance for the lifting of the milk, but, however, due to the continuous business, the petitioner was carrying on with the respondent, the petitioner was allowed to lift the milk on certain occasions without any advance deposit. That is how the dues were accumulated. When such dues were demanded for recovery, the petitioner failed to comply with the demand by clearing the arrears. Therefore, the impugned order of termination of the contract was passed by the respondent society.

6. The learned Counsel also stated that as per the interim order, the petitioner has deposited Rs.1,00,000/- and therefore he is continuing as a contractor for lifting the milk on advance payments. If the petitioner is willing to clear the outstanding dues as per the impugned order, the respondent has no objection to allow the petitioner to continue as a contractor till the end of the contract period.

7. Heard both sides and considered the material on record.

8. According to the respondent, the petitioner is due with reference to the contract in respect of route Nos.12, 17 and 18, a sum of Rs.2,60,612-50 ps. In pursuance of the interim order, the petitioner has already deposited Rs.1,00,000/-, leaving the balance of Rs.1,60,612-50 ps. With reference to the said claim made by the respondent, the petitioner did not dispute, though it was contended that with reference to the other similar contracts the petitioners money is lying with the respondent society. Be that as it may, this Court is not inclined to consider such claim, as, admittedly, with reference to this contract with reference to three routes, the petitioner is in arrears to the extent of Rs.2,60,612-50 ps. A lakh of rupees have already been paid by the petitioner as per the interim order. Therefore, the balance is directed to be deposited by 31-07-04. If the petitioner pays the said amount as

directed, the entire arrears as claimed by the respondents would be cleared and on that basis the petitioner is to be permitted to continue as a contractor in terms of the contract already entered between the parties, which is due to expire by 30-09-2004 with reference route No.12 and 18 and on 31-10-2004 in respect of route No.17. If the petitioner fails to deposit as directed, it is open to the respondent-society to terminate the contract as well as to realise the amount due by appropriate proceedings.

9. Under the above circumstances, the writ petition is disposed of with the above directions.

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08-07-2004 S. Ananda Reddy, J.

Kvh/Jsu

To

1.The Managing Director, Krishna Dist Milk Producers Mutually Aided Co-op Union Ltd, Lambadi Peta, Vijayawada

2.2CCs to Sc for Cooperation, High Court Buildings, Hyderabad.

3.2CD copies